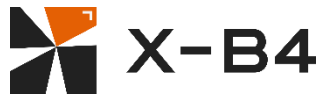




**“Ganesh Infraworld Limited
Q2 & H1 FY26 Earnings Conference Call”**

November 18th, 2025



**MANAGEMENT: MR. VIBHOAR AGRAWAL - FOUNDER, CHAIRMAN AND
MANAGING DIRECTOR, GANESH INFRAWORLD
LIMITED**

MODERATOR: MR. GAUTAM KOTHARI - X-B4 ADVISORY

Moderator: Ladies and gentlemen, Good day and Welcome to the Q2 and H1 FY'26 Earnings Conference Call of Ganesh Infraworld Limited hosted by X-B4 Advisory.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone.

Please note that this call is being recorded. I now hand the conference over to Mr. Gautam Kothari from X-B4 Advisory. Thank you and over to you.

Gautam Kothari: Thank you. Good evening everyone and welcome to the Q2 and H1 FY'26 earnings conference call of Ganesh Infraworld Limited. Today on this call, we have with us Mr. Vibhoar Agrawal, Founder, Chairman and Managing Director of the Company.

This conference call may contain forward-looking statements about the company which are based on beliefs, opinions and expectations as of today. Actual results may differ. The statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. A detailed safe harbor statement is given on the second page of the earnings presentation of the Company which has been uploaded on the Stock Exchange as well as the Company's website.

With this, I now hand over the call to Mr. Vibhoar Agrawal for his opening remarks. Over to you, sir.

Vibhoar Agrawal: Thank you, Gautam. A very good evening to everyone. Thank you for joining us today. I am Vibhoar Agrawal – Founder, Chairman and Managing Director of Ganesh Infraworld Limited.

I appreciate your time and hope you all have had an opportunity to review our Q2 FY'26 Investor Presentation which is available on the Stock Exchanges and also on our website. I am very pleased to share that Q2 FY'26 has been one of our most significant quarters to date, marked by a strong execution, major order wins and meaningful strategic progress across our core segments.

To begin with, this quarter, we achieved a major milestone with our strategic entry into the mining infrastructure. We secured a landmark order of Rs. 708 crores from Kandoi Transport for the operation and maintenance of heavy mining equipments at the Nigahi coal field in the Madhya Pradesh.

The major work here is overburden removal. So, this is the largest single order in our Company's history and it opens an entirely new vertical of Ganesh Infra, giving us long-term revenue visibility and strengthening our position as a diversified engineering and infrastructure solution provider. Alongside this, we continue to build on our presence across the country with several

key project wins. These include two sewerage treatment projects worth Rs. 105.77 crores in Jammu and Kashmir, a Rs. 280 crore civil infra projects for the school in the Northeast and a Rs. 62.12 crore EPC order in railway communication infrastructure through our newly formed JV, Ganesh Netsoft JV Networks. These wins reflect a strong trust placed in us by our clients and underscore the credibility of our engineering and execution capabilities. Our water infrastructure segment has also continued to scale rapidly with the strong repeat orders and enhanced execution capacities. This segment has now grown more than 13 times compared to the last year. We also added notable new contracts including the Rs. 203.83 crore sewerage treatment infrastructure package at Mumbai, which further consolidates our position as a preferred partner for complex water projects. During the quarter, our credit rating was upgraded by Infomeries to BBB+, with a stable outlook and our short-term rating moved to A2. This upgrade reflects our strong financial performance, sustained order inflow, low gearing and robust balance sheet. I am also happy to share that Ganesh Infra World has crossed a market capitalization of Rs. 1,000 crore during this quarter, which is an important milestone for us and a positive reflection of investor confidence.

Before I move to the financial performance, let me briefly touch upon the industry environment. India's infrastructure sector continues to remain on a very strong footing. In the last union budget of '25-'26 the government increased its capital investment outlay to over Rs. 11.21 lakh crores. In addition, interest-free long-term loans to State-to-Urban Challenge Fund, National Infrastructure Pipeline, Bharatmala and Gati Shakti are collectively creating large-scale opportunities in civil water, rail and utility infra and we are present in all the four.

The water infrastructure sector in particular continues to be a national priority. As of March '25, over 80% of rural households in India have access to tap water under the Jal Jeevan mission. And the mission has now been extended up till 2028. This ensures a healthy project pipeline in treatment plants, pumping stations, pipeline networks. Similarly, India is also experiencing a strong push in the rail and road modernization. But nearly 97% of the broad gauge routes electrified and significant investment planned in the overhead electrification system, logistics corridor and also metro network. Mining as a sector is also expected to grow at a rapid pace with projected CAGR of approximately 19% through 2030, driven by policy reforms and increased demands for critical minerals as well as coal. Our early entry gives us a first-mover advantage and a diversification opportunity in the space that will continue to expand meaningfully.

Now, coming to our financial performance for the quarter:

For the Q2 FY'26, our revenue stood at Rs. 210 crores registering a very strong year-on-year growth of 121%. Our EBITDA for the quarter was Rs. 25.7 crores, a growth of 171% year-on-year. EBITDA margins improved by 230 basis points to 12.3%. Profit after tax for the quarter was Rs. 18.1 crores, up 156% year-on-year, with the PAT margin improving to 8.6%. This performance reflects the operating leverage we are achieving and our disciplined approach to

cost and project management. For the first half of FY'26, our performance remained equally strong. Revenue for H1 stood at Rs. 390.6 crores, up nearly 70% year-on-year. EBITDA for the first half was Rs. 46.4 crores, a growth of more than 110% year-on-year, with an H1 EBITDA margin of 11.9%, which is higher again by 230 basis points versus last year. Profit after tax for H1 came in at Rs. 32.7 crores, up over 91% year-on-year and our H1 PAT margin stood at 8.4%, improving 100 basis points year-on-year. These improvements clearly demonstrate the strength of our execution engine and the benefits of scale that are now becoming visible. Our order book remains robust at Rs. 2,262 crores as of 30th September 2025, providing a strong revenue visibility for the coming quarters. Our business mix has diversified meaningfully, with civil infra contributing to 39%, water infra at 23%, mining at 30% and civic utilities at 8%. We continue to maintain a healthy financial profile with a low debt-to-equity ratio of 0.35x, which positions us well for sustainable future growth.

With a rapidly expanding order pipeline, a diversified portfolio across civil, water, utilities, and mining, and a strengthened execution engine supported by over 80 experienced engineers, Ganesh Infra World is well positioned to continue delivering strong, consistent, and long-term growth.

Thank you once again for your time and joining us today. We truly appreciate your continued support with that.

We would now like to open the floor for some questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. We'll take our first question from the line of Agastya Dave from CAO Capital. Please go ahead.

Agastya Dave: Good evening. Thank you very much for the opportunity and congratulations on excellent numbers. So, first question is very simple. How did you manage to perform so well? Because everyone in the sector has done fairly poorly and that is understandable because of the rains and the monsoons. Everyone's execution has delayed. But in your case, specifically what I noticed was even quarter-on-quarter there was a bump up. So, what exactly happened and was there any one-off thing here which was delayed in Q1 which got pushed into Q2 or this was entirely Q2?

Vibhoar Agrawal: So, Agastya, you have very rightly pointed it out. But if you go by the books, then last year, our closing order book for FY'25 was somewhere close to Rs. 450 crores only. And we have got so many orders within this financial year. So, this particularly Q1 and Q2 contributes to generally 40% of our total revenue for the entire financial year. So, Ganesh Infraworld has not done anything differently and even we have faced the same challenges of monsoon or the festive or anything else which other infra company faces. But what happened, why the numbers are showing, why the numbers are looking good? Because in reality, these numbers could have gone much better if this was Q3 and Q4. Because what happened, when we are comparing absolute

numbers, then definitely it is looking like something extraordinary might have happened. But if you compare as a percentage of order book executed or as a percentage of efficiency which has happened, so definitely even we have also performed on our say 65% to 70% efficiency only due to climatic conditions, which is a very natural cycle in the Infra industry. H1 contributes to somewhere around 40% of the total revenue and H2 is 60%. So, nothing as such has happened. Moreover, after the public listing which happened in December, we have quite bumped up our team in the month of January and February. So, joining has also happened from February onwards and Company machinery strength has also grown up and we have also engaged big subcontractors also for the projects. So, yes, a lot of change in the entire machinery overall has happened in the Company. But yes, with these results, I can assure you that again Q3 and Q4 will be much better, which is always there in the Infra industry.

Agastya Dave:

Great. Mr. Agrawal, my second question is again something that has started creeping in all other companies in the sector, which is that it has become an either or game between the margins and receivables. So, either the margins are holding up but the receivables are going for a toss or the receivables are under control but the margins are going for a toss. So, how do you see this thing developing, especially in the light of the large order that you have gotten? Because sooner or later that will get mobilized, it will start influencing your revenue booking and I don't know what kind of margins you are expecting there. So, margins and receivables in the light of the order book and the funnel that you have, how do you see that playing out? And are there any challenges that you are seeing? Because while your commentary was very good on the Jal Jeevan mission and the AMRUT scheme and all the water related things, all the water specific EPC companies have struggled very badly this quarter and they have been for the last one year. So, if you can give some rough idea on this topic.

Vibhoar Agrawal:

Yes. So, if I can define what Ganesh Infraworld is into right now as on 30th of September, so the definition would be that we are into, right now our order book consists of more than 40% order which is of operating expense in nature. Generally, if you consider any Infra company, then all the revenue of the Infra company is from someone, for them it is a capital expenditure, be it for Government of India or be it for any PSU. Like if I am building a road or if I am a factory, then that is a capital expenditure for the government. But right now for us in the case of the Northern Coalfield order, so this is the operating expense for the Coal India. So, once the project is, the nature of the project is in OpEx, then in that case, the chances of money getting stuck becomes very, very thin because it is an operating expense. Every month they are paying us like you are refueling your car, like you have to drive your car, you refuel your car and then you are driving it. So, that way we are quite safe in the biggest order which we have booked.

Also, similar orders are of OpEx in nature from railways and also from some companies where mining activities are going on. But yes, also we cannot ignore the fact that money sometimes gets stuck in the government infra projects. But right now, since all the projects where we are working in the government directly in nature, so all these projects are in the starting phase and

moreover, all these projects are coming up in, we don't have any projects from Jal Jeevan Mission. All the projects which we are taking up is Namami Gange scheme. So, in general, the area, the geographies which we are working, all the geographies, there are no, there is no big payment stuck. But like you told that many companies face a very bad experience especially in water segment. So, this was major, 25% of this was only Jal Jeevan Mission and that too in very few pockets of India, like Rajasthan and Maharashtra to be very precise. And we are not present in both the segments and not at all present in the Jal Jeevan Mission at all. So, we are not facing any such difficulties as of now. And in the future also, we are preparing ourselves to be capable to face such difficulties if at all they arise by splitting our order book into CAPEX and OpEx nature. And we assure you that by maybe in the future, our OpEx orders will increase, our focus is that OpEx orders are much more compared to the CAPEX orders. Because work also happens very fast and there is very less retention money involved in the OpEx.

Agastya Dave: And on the margin side, sir, the bump up, you expect that also to, so receivables from getting stuck in the margins will also remain at these levels because you've shown a fairly substantial increase in margins as well?

Vibhoar Agrawal: No, margins, I think it should improve a little bit more because previously we were majorly a contractor. So, a good amount of margin was directly going to the contractor just for the name lending. And nowadays we have started forming JVs and we are doing the projects directly. So, the change in margin is majorly because of that reason, not for any other reason, because we are not, we are saving that money, which was the direct cost of the Company. So, I think the 100 basis points, which has improved is because of that.

Agastya Dave: Absolutely fantastic, Mr. Agrawal, a great performance. Thank you very much for answering all the questions and all the best for the future as well, sir.

Vibhoar Agrawal: Thank you so much.

Moderator: Thank you. We'll take our next question from the line of Siddhartha Barman from Sagun Capital. Please go ahead.

Siddhartha Barman: Hello, sir. First of all, so many congratulations for this magical set of numbers. I just had a few questions for the mining segment. As we are getting into the mining projects, what is the expected EBITDA margin in this segment?

Vibhoar Agrawal: It will be similar only. EBITDA margins will be similar to what we have performed, what we have been achieving in the last quarter. And the margin profile should improve a little bit once we have our own fleet of machineries, which we have plans to do it in the future.

Siddhartha Barman: Okay, sir. Got it. And can we expect more orders in the mining in the near future?

- Vibhoar Agrawal:** Definitely, we have kept an eye upon many upcoming tenders. And after maybe 3 or 4 months of consistent performance in the existing order, our credentials will also build up. And so we are trying to bag a bit more bigger order in the same segment.
- Siddhartha Barman:** Okay, sir. And one more thing, as the mining orders are almost consisting of 30% of the order book and it will be generating consistent cash flow for the future. So can we expect less cyclicity in the business in the near future in the upcoming years?
- Vibhoar Agrawal:** I could not get, can we expect less...?
- Siddhartha Barman:** So I am saying, sir, can we expect less cyclicity in the business? Currently, it's 14 H1 and 16 H2. So will it be reduced?
- Vibhoar Agrawal:** No, it will be same only because the cyclic thing is majorly because of the climatic condition. And the effect of the climatic condition is similar in both mining and non-mining.
- Siddhartha Barman:** Okay. Got it, sir. Thank you.
- Moderator:** Thank you. Next question is from the line of Aniket Madhwani from Steptrade Capital. Please go ahead.
- Aniket Madhwani:** Good evening, sir. First of all, congratulations on good set of numbers.
- Vibhoar Agrawal:** Thank you.
- Aniket Madhwani:** So my first question was, could you please repeat the bifurcation of your order book, how much is from civil, water, mining and utilities?
- Vibhoar Agrawal:** So if we go percentage-wise, then out of the Rs. 2,262 crore orders on 30th September, 39% is coming from civil infra, 23% is from water infra and 30% is from mining. And the balance 8% is from civic utilities. Civic utilities would also include the telecommunication railway project.
- Aniket Madhwani:** Sir, I just want to understand what exactly Ganesh is planning to grow. Where is this our focus? We are focusing on mining and water?
- Vibhoar Agrawal:** Yes. So Aniket, I would like to put forward the vision of the Company as we were discussing just before this, the question before your question, was that in infra, what happens generally like once the order book and the revenue is growing big, then there are instances in the past where might be some capital gets blocked in the infra payment from the government. So for that reason, we thought of a good diversification in the order book, so that our 100% order book should not consist of the tax from the government. So we have tried this new way. And since we had a very good manpower backing also to handle the mining project, so we have entered into this segment

so that some part of our order consists of the operational expense also for big companies like NTPC or maybe Coal India. So that was the sole reason to venture into mining. And going forward, we have also tried to change the nature of business from a 100% subcontractor to now bidding for direct contracts via the JV routes. Many tenders are already in progress also. So this will improve the Company's margin profile and also the PQ eligibility of the Company will also improve quite a bit substantially through this route. So going forward, we see ourselves as bidding in only the niche projects where value addition is happening a lot, like maybe water treatment plants or sewerage treatment plants. So mainly, if we talk about the infra segment, then it will be mainly centered around water, be it water, sewerage, or treatment of all those things. And the other part would be mining because in India, the quantum of the coal or other minerals such as the requirement is increasing at a very rapid pace, whereas the supply is not increasing at the same pace. So there is a huge demand and supply gap. So we want to take advantage of that and definitely be a part of India's growth story. So this is the entire vision as of now for Ganesh.

Aniket Madhwani:

Great. Given that you are focusing more on mining and adding new machineries, so you will be needing additional working capital for such projects. Can you please explain the current situation of working capital on the government? Will you be having any funds for such large orders?

Vibhoar Agrawal:

Yes, definitely. See, what has happened is that right now the first project which we have got, so we have not bought any major machineries for the same because this project, what we have done, we have hired the machineries locally and we have deployed it. But going forward, for the PQ requirement also, a few machineries need to be purchased. But right now the debt to equity ratio of the Company is quite good. And so we have already, we have sanctions from many of the private lenders, NBFC as well as PSU banks for this machinery. And the effect of all those things will not be much because already we are paying the higher charges which will get replaced by the EMI. And the Company will definitely benefit also on depreciation, EMI and all those things. So working capital is not at all looking as a challenge to us. And for the future projects which we are bidding or which we are planning to bid, so for that definitely some amount of working capital will be required for which we have already gone ahead for the fundraising through the preferential issue of shares. So that will suffice the requirement for at least FY'27. And then profits are getting plot back and the net worth of the Company is increasing. So all those things taken together, I don't think there will be any hiccups in the planned journey.

Aniket Madhwani:

As you mentioned regarding the margin expansion and the H2 will consist of around 60% of your revenue. So could you just give a brief, I mean, could you just focus on the expected revenue you will be closing by this FY'26, the topline and the bottom line?

Vibhoar Agrawal:

So clearly it will be very difficult to comment anything upon the topline or the bottomline. But yes, we are quite sure that there is no visible inferences in the performance. Rather I see a very

good climatic condition from here till at least till May '26. So we see a very good greenfield to perform well and the Company also well-equipped from manpower side, from Company's engineer side and all the machinery sides of contractor. And so we are quite definitive to perform well as planned in this year. And the margins and all should also get a little bit more better because generally what happens in an infrastructure project, initial margins are generally low because some amount of expenses goes into mobilization, which the project recovers in the years to come. As the project matures, then those mobilization expenses is recovered. So initial margins in generally, the initial margins are low and the margins towards the end of the project gets better because a lot many things comes in the final bill and extra items are also being claimed. So for that reason, I think margin profile should increase a little bit more.

Aniket Madhwani: Well, sir, question is more about the mining segment. So what is the conversion rate in the tenders you participated?

Vibhoar Agrawal: So in general, we take it as the conversion rate to be somewhere around 25% and might be 25% sounds a little high. But what we do, we are not participating in any tender just for the sake of it. If we are participating in any tender, then either we have worked in the same geography before or else we have worked in the same department before. So at least these two conditions are the foremost condition to choose any tender before even getting into it. So for these reasons, unless and until we know a particular tender locally or else there are many tenders in which we are involved from the DPR level. So we right now pick and choose only those tenders and right now the amount of demand which is there in all the segments is so huge that this pick and choose is quite possible for at least next 2-3 years. So taking everything as a whole, our hit rate is somewhere around 25%.

Aniket Madhwani: So basically what is the amount that you have bided sir in mining?

Vibhoar Agrawal: Right now the current bid book is somewhere close to Rs. 2,800 crores.

Aniket Madhwani: Great. That's all from my side. Thank you, Aniket.

Moderator: Thank you. We will take our next question from the line of Smit Jain from KTech Family Office. Please go ahead.

Smit Jain: Good, evening. Thanks for the opportunity. I had a couple of questions. First is, I wanted to understand more about the Company's history and what has changed for us in the last 2-3 years vis-à-vis the last 7-8-10 years because we have been able to grow significantly in the last 2 years. What have we done so well that we have been able to strike gold in the last 2 years? That's the first question that I had.

Vibhoar Agrawal: I think the performance has been steady only and nothing as such has happened in the last 2 years. Maybe if you have seen the last year's balance sheet, which is there for just for Ganesh

Infraworld which was Rs. 50 crores. So that Rs. 50 crores is not the right number. The number was somewhere around Rs. 290 crores because Ganesh was previously a partnership firm which got converted into a company. So I think if you are comparing from that 50 to this, then the jump might look very big. Otherwise, the performance has been consistent only. 100-180-200-290, then 350, then we achieved 530. So the performance has been like that only.

Smit Jain: Okay. Because I maybe misread the numbers because it says that in '23...

Vibhoar Agrawal: Because only 50.

Smit Jain: The numbers which I read probably said that we did Rs. 150 crores in '23 and we have been able to grow almost 4x-5x in the last 2 years. So that is what...

Vibhoar Agrawal: No. So if you go to our website, we have that consol balance sheet available over there and that will clarify everything.

Smit Jain: Fair enough. On similar lines, scaling up is the new buzzword, right? And I was going through the last concall's transcript also and I read that we have opened a subsidiary in Dubai and we are wanting to explore different markets also just to not lose out on the opportunity. So I wanted to understand what sort of risks do we see in terms of moving too fast because we are wanting to grow pretty fast, we are scaling up pretty fast. Are there any risks that we see in terms of maybe operations, in terms of team bandwidth or anything on those lines, because in the last cycle we have seen many EPC companies go bust in 2015-2016 when they tried to scale pretty fast. So are we seeing any sort of risks associated with growing so fast?

Vibhoar Agrawal: No, sir. Definitely, risk is always there. Risk and reward goes hand in hand. But yes, our vision is quite clear and we are not scaling very fast by opportunity whatever risk is coming to us. Rather, what we are doing, we are speaking to our old clients and we are speaking to the older geographies only. In Infra, you will appreciate that working capital and the amount of money you can invest, that is the fuel for Infra. So if we get a road project or a building project, it all depends on what financial capabilities you have for the foremost thing, which is I will say maybe 30% of the project and rest 70% depends on the subcontractors you have and the bandwidth of the owned engineering team design now seen. So if I can explain you on all three fronts, then financial strength we definitely got from the public listing. And after that, we have also increased a few bank loans after the public listing happened. And we have teamed up ourselves and right now, from before listing and as of now, I think the team size has almost doubled wherein people have joined us from L&T, from Ramky, from companies like Welspun. So we have teamed up ourselves to manage the project. Every four project managers has a project director over it. So all these kinds of hierarchies have been created so that we manage the project well. Moreover, why we are confident that nothing should go out of hand, because the foremost thing which we have done is that bandwidth should not get over. So what we have done in the projects where

we were working, all those projects were quite big in size where we were subcontracting. So what we have done, we have increased our scope in the same projects. If we were doing a building project, beforehand we were doing just the structure of the building. And now once we have funds in place, once we have manpower in place, so we have approached the same client to give us the HVAC system also to give us the MEP work also. So that's how the revenue is increasing. So we are not expanding into new projects or the new geography. From the same project, we are trying to extract the maximum possible revenue. So this was step one. And the step two was to, if you are taking any water project, then the water project, the geographically the project lasts from 0 to 20 kilometers. So it's an open site. So over there, if we increase the number of these projects, then definitely execution becomes a challenge. So before going to Dubai, we definitely opened up a company in Dubai because we were eyeing a few civil projects from companies like Shobha and Kalpataru. But during the course only, we explored this mining opportunity. And we found this quite well because all the mining projects will go up to at least 20 to 25 years. Because it's an operational thing. As long as the mine is going on, you have to do all the excavation. So we found this quite well and it was within a boundary wall. Plus, it was under a PSU like Coal India, which is a cash rich Maharatna. So all those things were suiting. So we opted for this. So if we would have taken a similar size of water project, then definitely it would have taken at least twice the bandwidth of what is going in the mining one. So this is the step two of selection. And because we entered into mining, so we have kept on hold the UAE thing. So right now, nothing is happening over there. Because we have gotten better opportunity over there. And why we chose this opportunity? Because we did not want to put all the eggs in the same basket where what the Company's portfolio used to be until two years back. So we turned on diversifying into a revenue stream from where the working capital days is also lower. Like in mining project, the working capital days will be somewhere around 45 to 50 days. Which is half the size of what working capital days is required in an infra project. So all these things were supporting. So we entered into mining segment. And we have increased revenue from the same project. So this is how the growth is planned right now and for at least next two years. So we are not just running and catching every project which is coming to us.

Smit Jain: So just to summarize, basically we're saying that we're not, although we're trying to scale up pretty fast, we are focused in terms of what sort of projects do we take and we're doing sensitive analysis to ensure that we're not stretching ourselves from a financial standpoint or from a team standpoint.

Vibhoar Agrawal: Yes, absolutely.

Smit Jain: Because ultimately if you keep increasing your operations, there won't be any longevity to the demand, right?

Vibhoar Agrawal: And see, execution is the king. Like for us, if there is no execution, nothing will happen. But for execution, at least 20% of the bandwidth of the top management should always be free. Because

infra is a challenging thing. Every day morning you get up, something new will definitely ring on your phone. So since we have been into the industry since more than 11 years, so that is the foremost thing which is there in our mind for selecting anything.

Smit Jain: So the working capital and all of that is in place for the entire Rs. 2,200 crore order book or the new orders that we win. The financials are something that you all are keeping a close eye on, right? Because this is an industry like you said, which is fueled by working capital, right? So in that way also we are covered?

Vibhoar Agrawal: Yes, it's 100%. Like the number of order books we have, everything is covered quite well along with the contingency.

Smit Jain: Okay. And on the mining bit, what exactly is the scope of our services? Because you said O&M equipment service contractor.

Vibhoar Agrawal: So if I can explain it in layman's terms, then what happens like this is Nigahi mines is a coal mine for Coal India, Northern Coalfield Limited. So 0 to 10 meters is an overburden upon the coal. This overburden consists of rock and soil. So over here we have to just remove this overburden, extract this rock and soil earth and dump it in a designated area given to us by Coal India. So this is the entire project. Very simple.

Smit Jain: Okay. You just have to remove the soil on top of the coal and throw it away. Perfect. And that soil is basically ash, coal ash fly, right?

Vibhoar Agrawal: No, not ash. Because this is a pure, it's a new mine which we have started besides Singrauli. So this is a new mine. There is coal here. From the thermal radiation, they have detected that coal is there beneath the land. So we will remove the earth from this land and throw it away. Then when the layer of coal comes, then Coal India will start the mining process.

Smit Jain: Correct. Okay. And just to understand from the team's strength perspective, we had started the road and I think bridges construction. Civil construction was our main work. Then we moved to water.

Vibhoar Agrawal: Road and bridges were never there. We were always civil and electric.

Smit Jain: You were building, basically?

Vibhoar Agrawal: We were building, yes. Correct.

Smit Jain: So from buildings, we moved to water. And then now mines also. So what is the technical background in the team because of which we have been able to excel in all three departments because you have done a good job in all of them?

- Vibhoar Agrawal:** You have very well pointed out. See, we don't need any different team in civil and mining. Because we are also doing a civil project. The first step there is excavation. And mining also we just have to do excavation. We definitely needed a brand new team for water which started building around in 2021. Once we started the project of Jal Jeevan mission in Uttar Pradesh, we started building a water team from that time. And now, from this January, we have kept a vertical Head in water, who is Mr. Harish. He is from L&T. So now, we have started keeping a much more experienced team because we have started taking direct orders. And if you segregate the project, it is also a civil project. Because in a water project, you have to build a water pipeline. So, after doing the civil work, we put the pipeline. This is to see the connection of water, do the pressure testing of water, all those things. But in totality, if you see, so every infra project is, civil is at least 60% of any infra project. So, the main thing is dedication. If you have a dedicated team who is ready to, who is 24x7 ready to perform, so that is the main fuel required.
- Smit Jain:** Fair enough. Like from a layman's perspective, like you said that 85% households have pipe water connection, 15% is left and the government has doubled down on the scheme as well. First of all, how big of an opportunity do you think that 15% is? And second is, what kind of projects do you want to take? Like the water pipeline layout which is a bit commoditized, low-margin STP, WTP, so to build some niche projects?
- Vibhoar Agrawal:** Nowadays, we are not at all a participant in the remaining 15%. Because in Har-Ghar Jal, it has become, the project is around seven years old. So, now it has become everyone's cup of tea. And since we have gained experience for more than four years in the same project, so right now we are not aiming anything in Jal Jeevan Mission. We are aiming only in WTP, water pipelines, and STP and SN, sewerage pipelines. So, these four are our focus areas. And so, we are bidding tenders which are coming under AMRUT or Namami Gange.
- Smit Jain:** Got it.
- Vibhoar Agrawal:** Because we have done a lot of pipeline work, I mean Ghar-Ghar water work. So, now there is no fun in that.
- Smit Jain:** Correct. And the work you are doing here, margins are also good. I was looking through your P&L.
- Vibhoar Agrawal:** Right. Exactly. So, why are we building our team? Because now the team is built, so if a person used to work in L&T earlier, now he is working here. So, when he meets the engineers, when he meets the government officer, then they know that this guy is working since 15 years in water, so he can do this. And similarly, if one head comes, then he brings the whole team with him. So, now once we can go for a more demanding project, so that will give us good margins and it will count in our PQ also.

Smit Jain: Last question and I will fall back in the queue. You know, earlier we were doing subcontracting work and now we are wanting to take on more direct orders also. Do you see a slowdown there or what is the conflict in subcontracting?

Vibhoar Agrawal: No, just what we are doing is that we are not increasing our share as much as we were doing in subcontracting. If we were doing subcontracting earlier, then today also we are doing the same thing. But on the other hand, the extra effort, the extra team build that we are putting in direct orders and that we are putting in direct order and that is through JV route. So, what is happening in doing it through JV route, we are getting JV partner support also, technically if we are stuck somewhere. But whatever effort we are putting in, we are putting it in new orders. So, what will happen after that? Balancing, okay, end of the day we will end up in say 40% subcontracting and 60% direct orders. So, such a ratio will automatically come out.

Smit Jain: And customers will not be angry with whom you were doing subcontracting work earlier?

Vibhoar Agrawal: No, because we are not stopping the work with them. Because we don't want to stop the work with them. Because if we work for them, then their projects, those are huge projects. Like one by one their project is of 2,000 crores-4,000 crores, single project. So, what happens by working in their project? We get to know all the technologies also. Plus how such a big project is managed, that is also understood. Plus working capital is also less in it. So, we definitely want to keep that flavor always in our portfolio. So, we are not saying no to any of the existing clients.

Smit Jain: Fair enough. Thank you. I will fall back in the queue. I have more questions. Thank you.

Vibhoar Agrawal: Thank you.

Moderator: Thank you. We have a question from Smit Jain from KTech Family Office. Please go ahead.

Smit Jain: Thanks for the opportunity. Again, since there is no one else. So, other questions also. One was regarding the credit rating change that you mentioned about in your opening remarks. So, is that important from a lens, that you want to increase the debt because order is there, so do you want to increase the leverage?

Vibhoar Agrawal: One particular thing we need is bank guarantee for every project. For bidding we need guarantee, then performance guarantee and during the project we need retention bank guarantee, advanced bank guarantee and after the project also we need retention bank guarantee. So we don't expect any more funds from the banks. But we have to keep a proper mix, because we can get from PSU bank also. So whenever we go to any bank, then they don't give only bank guarantee. They will always keep a mix of CC plus BG, because CC is their earning and BG is their support. So for that reason, the credit rating will help us a lot. Because suppose if get BG of Rs. 100 over the collateral, then as the finance department say, if the credit rating will improve, then we might get some extra bank guarantee or some extra non fund based support from the banks. So this is

the whole idea. Since the bid book is also increasing, so EMD is also required. For this purpose I think credit rating will definitely help us.

Smit Jain: Fair enough. And the 100 crore raise that we are doing through PREF allotment will that suffice us for increasing the leverage on our books? Like you said bank guarantee, retention money, all that need to be given and the order book is already 22,00 crores and I am assuming 5,00crores-700 crores we can cover from this. So you will need a good working capital. So this 100 crores, your leverage, your debt-equity ratio...?

Vibhoar Agrawal: Yes. Easily, this will suffice because what is happening, the claw-back profit is also getting converted into working capital on a day-to-day basis. Plus, little bit working capital improvement has happened due to the mining projects. So, taking everything together, this 100 crores is more than sufficient for us until, say, FY'27, for the projection. The order book in hand and the immediate targets, new orders. So, until then, we are quite good to go. Along with contingencies.

Smit Jain: Fair enough. And in terms of the team strength, how big is the team now? From the time we raised funds in the IPO, what is the team size now?

Vibhoar Agrawal: So, right now the team size is 121 people. Out of this, 110 are engineers. And as I mentioned during the call that we have a strong team of 80 engineers. So all these 80 engineers have at least 9 years or more experience. So, again, if you bifurcate more than 25 years of experience, then again that number will come up to more than 12. As the experience increases, as the engineer becomes sound commercially, then he becomes the project manager or the project director or the vertical head. So this is the total hierarchy.

Smit Jain: So, the 121 involves the engineers, the technical people, the people who bid the order, the accountant, the bureau staff, the laborer and all that is separate.

Vibhoar Agrawal: Yes, all that is separate. This includes billing, planning, and your safety and the core engineers. Designing team.

Smit Jain: So, everything is included in this 121? Yes. You have all the executive staff.

Vibhoar Agrawal: Absolutely.

Smit Jain: And the last question that I had was with respect to the cash flow from operations. I'm assuming it's a growing business. Working capital is needed. Due to which the cash flow from operations is a little negative. And in the next 2-3 years, I'm assuming we will want to grow at this pace or better. So, in the next 2-3 years, will the cash flow from operations be negative because of the enhanced turnover? Or do you think that at some point we will be able to improve our payment cycle?

- Vibhoar Agrawal:** No, as of now, I think the cash flow from operations shall get positive from H2 FY'27 because no new fund raise or any big event is planned in the books. And all the projects which we have right now in hand are profitable. So, I think this thing will improve in H2 FY'27 only.
- Smit Jain:** Okay. So, after 1-1.5 years, the amount of money we will have will suffice.
- Vibhoar Agrawal:** Yes, because right now, more funds are going into operations as a primary capital. So, I think that is the whole reason why it is looking negative.
- Smit Jain:** I think your orders will mature.
- Vibhoar Agrawal:** Yes.
- Smit Jain:** Right now, your order has not matured. Due to which the money might not be coming to the debtors.
- Vibhoar Agrawal:** Yes. Right now, we are investing in initial mobilization. So, once the project gets matured, definitely these things will come back.
- Smit Jain:** But the payment point is not affected?
- Vibhoar Agrawal:** No, not at all. Because all the projects are center funded. All the projects are either from PSU or the central government. So, there is no hiccups in that.
- Smit Jain:** Okay. Fair enough. Thank you so much. Great talking to you. I will get back to you if there are more questions.
- Vibhoar Agrawal:** Thank you so much.
- Moderator:** Thank you. As there are no further questions, I now hand the call over to Mr. Vibhoar Agrawal for closing comments. Over to you, sir.
- Vibhoar Agrawal:** Thank you so much, ma'am. Thank you so much, X-B4, for arranging such a nice and valuable session. And thank you all for joining the earnings call. We trust your questions were addressed adequately. For additional information, please connect with our investor relationship manager, X-B4 Advisory. Thank you very much and stay safe.
- Moderator:** Thank you. On behalf of Ganesh Infraworld Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.